

**SEPTEMBER - 2025**







# OFFICERS' CAUSE

## A SAGA OF STRUGGLE ACROSS THE MILESTONES

It is a moment of immense pride and reflection as the All-India State Bank Officers' Federation (AISBOF) completes Sixty Years of its glorious existence. An event that glitters commemorating the diamond jubilee year fortified with zeal, resilience, unity, and progress. The journey of AISBOF began in 1965, drawing its spirit from the urge of a few visionaries who sought to raise the collective voice of State Bank officers against arbitrary management practices, discrimination across the hierarchies and oppression, suppression from the protagonists. From these humble origins, AISBOF has transformed into the country's largest officers' union, representing over one lakh officers who occupy roles across managerial grades in more than 25854 Domestic Branches 244 branches located 55 counties across the time zones and counting.

AISBOF's history is defined by its struggles for justice and courage in adversity. The Federation's campaign for fair rights reached a pivotal moment in June 1969, when officers undertook the legendary 17-day indefinite strike the first of its kind worldwide by supervisory cadre staff. **"Do not follow where the path may lead. Go instead where there is no path and leave a trail,"** aptly describes the actions of those forerunners who stood against all odds to assert the right to unionize and secure dignified service conditions. The result was historic, not only did it secure the reinstatement of victimized leaders and open meaningful dialogue with management, but it became a shining reference point for officers' movements in banks throughout India scripting history, at times rewriting its own.

Over the decades, AISBOF has continually led the fight for the wellbeing of officers. Central to its philosophy is the belief that **"united we bargain; divided we beg!"** and together, the Federation's members have championed bipartite and tripartite negotiations, protected service conditions, and promoted officers' welfare with every turn of events. AISBOF in its garlands boasts not only with the 1969 strike but also the powerful joint indefinite strike in April 2006, demanding the upgradation of the pension scheme an action that galvanized solidarity among over two lakh staff and strengthened the Federation's reputation as a chariot of change.

AISBOF's influence extends beyond industrial relations. The Federation has championed social responsibilities, aligned with the objectives of nationalized banking, and staunchly supported schemes that uplift the weaker sections of society. Today, AISBOF's stands recognized and respected by SBI management as a partner in shaping the future of officers' welfare, customer services, and community service banking which other applauds and emulates.

As we commemorate this diamond jubilee, we remember the words of trade union leaders: **"There is no power in the world that can stop the forward march of free men and women when they are joined in the solidarity of human brotherhood"**. The saga of AISBOF is not merely a chronicle of confrontations, but one of forged unity, shared sacrifices, and enduring aspirations.

**On this historic occasion, AISBOF resolves to:**

- \* **Leadership Development** – Launch structured programs to identify, mentor, and prepare future leaders within the organisation.
- \* **Cadre Development** – Organise systematic training and orientation initiatives to strengthen the cadre at all levels.
- \* **Social Outreach** – Undertake sustained programs of social responsibility, including welfare activities for the community.
- \* **Member Outreach** – Enhance engagement with members through regular interaction, support mechanisms, and participative platforms.
- \* **Connect with Elders** – Honour and seek guidance from senior leaders and veterans who have shaped the movement.
- \* **Memorial Lectures** – Institute lectures in memory of stalwarts to preserve history and inspire younger generations.
- \* **Workshops on Trade Union Issues** – Conduct workshops to deepen understanding of

trade union rights, policies, and contemporary challenges.

- \* **Debates in Educational Institutions** – Organise debates in universities, colleges, and schools on the relevance of Public Sector Banks and Trade Unions in national development.
- \* **Digital Knowledge Repository** – Create an exhaustive and credible digital archive (on Wikipedia or other recognized knowledge platforms) for AISBOF and its affiliates, documenting their struggles, achievements, activities, and future initiatives, thereby serving as an authentic and lasting resource for trade union history and research.

Let us step into the future with reaffirmed commitment drawing strength from our storied past, inspired by the courage of those before us, and determined to uphold the dignity and rights of all. The spirit of solidarity continues to ignite the flame of progress for generations to come. In this glorious journey, let us reaffirm our commitment, our resolute endeavour and march ahead with clarity and solidarity as well camaraderie our accomplices.■

## **REVIVAL OF NATURE STRENGTHENING DEFENCE TRAINING OF OUR AFFILIATES**

The All-India State Bank Officers' Federation (AISBOF), has over the last six decades been playing a pivotal role in the formulation and structuring of disciplinary matters, not only in State Bank of India but also at the industry level through continuous suggestions, negotiations and correspondence with the management, the IBA and the Ministry of Finance.

As you all are aware, the National Academy of Trade Union Research and Education (NATURE), established as an extended arm of AISBOF, has since its inception in 1991 been playing a crucial role in training Defence Representatives across the length and breadth of the country. The AISBOF

through NATURE, with more than 180 programmes to its credit, is not only rendering an yeomen service to our affiliates, but also to all the affiliates of AIBOC since the last three decades. Such trained Defence Representatives, later on take up cases and become assets for their respective Associations enjoying trust as their hallmark. Such sustained dispensation of knowledge is not only enhancing the image of the organization but also instilling a sense of confidence among the membership, as well fostering the reputational quotient of the organization before the management.

It has come to our notice that during the last few

years, while many other Banks/Affiliates of AIBOC have been utilizing the services of NATURE to train their members on a regular basis; our own affiliates, barring a few, are not utilizing the services of the organization in a desired manner. It also remains a matter of concern to note that, off-late, severe and disproportionate penalties are being imposed on our members because of improper handling of cases and lack of understanding on the subject matter. It is needless to mention that the Office Bearers and the Defence Representatives have to be fully equipped and updated on all the Disciplinary matters in order to provide proper defence and also to represent the cases to the authorities concerned in a befitting manner. As promulgators of fair play and defenders of principles of natural justice, it is our bounden duty to protect the interests of the members add to our attributes to bolster the process of justice dispensation and self-actualization.

3. In this direction, it has been decided to revive the activities of NATURE and conduct regular defence training programmes at our training center (NATURE) at Bengaluru with a bird's eye view of sharing of knowledge and protecting the interests of our members.

4. Each circle/affiliate may depute three or four members for each of the training programmes to be conducted at regular intervals, coinciding with second/fourth Saturdays. Alternatively, such programmes will be conducted for the other affiliates of AIBOC as well. If any of our affiliates is unable to depute, then we may accommodate a greater number of aspirants from other affiliates for optimum utilization of the training initiatives.

5. The cost per candidate would approximately work out to be ₹ 8000/-, covering fooding, lodging and training materials. The travel cost will have to be borne by the affiliates. Further details will follow once the dates are finalized.

6. Comrades, it is needless to say a knowledgeable office bearer is an asset to the organization. Let us therefore join hands to strengthen the roots of the organization through continuous knowledge updation and regular pursuit for excellence.■

*Let us move on together...towards a better tomorrow.*

*March on comrades, March on.....*

### **AIBOC WRITES TO THE GOVERNOR OF RBI AND ISSUED A PRESS RELEASE ON THE RBI'S PROPOSAL OF IMPLEMENTATION OF "FRAMEWORK FOR RESPONSIBLE AND ETHICAL ENABLEMENT OF ARTIFICIAL INTELLIGENCE" (FREE-AI)**

AIBOC expressed its serious concern over the proposed implementation of FREE-AI by the Reserve Bank of India (RBI) and issued a press release on 17.08.2025, which has been widely circulated in the leading print and portal medias of the country. AIBOC has also written a letter to the Hon'ble

Governor of RBI denouncing the proposal and demanding dialogue with the trade unions before taking any such unilateral decision. We reproduce the text of the letter no. 2025/17 dated 18.08.2025 for your information and onward sharing to the members.

***Text of Letter no. AIBOC/2025/17 dated 18.08.2025, Addressed to Shri Sanjay Malhotra, Hon'ble Governor, Reserve Bank of India***

### **AIBOC CAUTIONS AGAINST UNILATERAL ROLL-OUT OF AI FRAMEWORK IN BANKING; CALLS FOR SOCIAL DIALOGUE, BINDING SAFEGUARDS, AND A WORKER AND CONSUMER FIRST ROADMAP**

Greetings from AIBOC! We are the India's largest trade union of bank officers, representing more than 325000 officers across PSBs, RRBs and Private banks. AIBOC advances the interests of officers, the bank customers, and the broader economy through

constructive engagement and evidence-based advocacy.

We express through this letter our serious concern

**SUCCESS AWAITS AT THE DOOR WHERE DILIGENCE IS**

over the proposed implementation of the Reserve Bank of India's **"Framework for Responsible and Ethical Enablement of Artificial Intelligence" (FREE-AI)** without structured consultations with trade unions, civil society groups, and consumer organisations. While AIBOC acknowledges the framework's aspiration to make AI trustworthy, fair and accountable, the Confederation warns that **a top down, time-bound imposition, absent social dialogue, risks legal uncertainty, consumer harm, exclusion of vulnerable segments, and fresh stresses on already stretched Public Sector Banks (PSBs).**

**Technology cannot be a substitute for public trust. The RBI's 'Seven Sutras':** Trust, People-First, Fairness, Accountability, Understandability, Safety and Innovation are laudable. But unless these are translated into enforceable rights for customers and enforceable protections for workers, we fear an AI roll out that amplifies risk instead of reducing it.

AIBOC's analysis of the framework highlights the following concerns that require immediate, consultative resolution before sector wide adoption:

- 1) AI does not dilute compliance obligations under existing banking, outsourcing, digital lending, IT/cybersecurity and data-protection norms. In practice, however, non-deterministic models blur lines of responsibility across banks and vendors. **Without explicit liability allocation and AI specific contract clauses,** banks face heightened exposure in disputes over adverse decisions, data misuse, bias, and explainability gaps. AIBOC demands **clear "adverse action" protocols, documented lawful bases for data use, and audit ready model lineages.**
- 2) The framework pushes accountability to the deploying entity, yet day-to-day decisions will be executed by bank staff. **Officers must not be scapegoated for policy compliant model failures.** AIBOC seeks **RACI based accountability, a model incident register with root-cause**

**analysis, and HR policy addenda** that protect employees who follow approved AI SOPs. Disciplinary action must distinguish negligence from systemic or vendor induced errors.

- 3) Model drift, bias, hallucinations, and adversarial attacks (poisoning, prompt-injection, inversion) can **amplify small faults at massive scale.** AIBOC calls for **continuous red teaming, tiered approvals by risk class, SOC integrated AI threat playbooks, and AI specific business continuity** with fallbacks and human validation.
- 4) Early adoption is capital, compute, and talent intensive. Without shared **public infrastructure (datasets, compute, multilingual models) and a regulatory sandbox accessible to PSBs/RRBs,** private banks could gain a structural edge, accelerating **market-share erosion** from public to private. AIBOC urges a **level-playing-field investment plan** backed by the Centre and RBI.
- 5) AI can widen reach, but it can also **encode exclusion.** AIBOC insists on a **Right to Human Review** for retail/MSME/farm decisions; **no purely algorithmic denials; bias testing for protected and proxy attributes** (region, language, socio economic markers); and **simple contest channels** with time-bound resolutions. Explanations must be **clear, local-language, and outcome-specific.**
- 6) Automation without guarantees on **redeployment, upskilling, and non-coercive transitions** will fracture morale and service quality. AIBOC demands a **no-forced-redundancy covenant,** a funded national upskilling mission for bank employees, and **joint monitoring committees** to track impacts on workloads, health, and service delivery.

- 7) AI may sharpen early warnings and monitoring, but **mis-classified risk in stressed conditions** can inflate NPAs and write-offs. Banks must implement **champion challenger models, rare event stress testing, override tracking, and post outcome monitoring** with findings reported to Boards and regulators.
- 8) If AI disproportionately benefits data-rich corporates while shrinking credit lines for small borrowers, **inequality will deepen**. Translating the Sutras into practice means **proportionate compliance for low-risk inclusion use cases, multilingual and low resource models**, and explicit targets for rural/priority segments backed by **public funding for safe experimentation**.

Globally, trade unions are increasingly demanding that workers be engaged before Artificial Intelligence (AI) is introduced in any industry. The Australian Council of Trade Unions (ACTU) has called for mandatory AI Implementation Agreements, ensuring consultation with employees on job security, retraining, transparency, and privacy safeguards. In the United States, powerful unions like the AFL-CIO and Teamsters are working with lawmakers to mandate human oversight in AI-driven decisions and prevent AI from misusing professional titles. Similarly, the Australian Services Union has proposed large-scale AI training programs, fairer compensation, and reduced work hours to recognize human judgment and collaboration. Together, these global initiatives reinforce a common principle: AI can only deliver sustainable productivity gains when workers' voices, rights, and protections are placed at the center of technological change.

AIBOC is not anti-technology we are pro-people, pro prudence, and pro inclusion. **No deployment should precede dialogue**. We call for a structured, time bound consultation with unions, consumer bodies, technologists and civil society before any mandates are finalised.

#### AIBOC demands that:

1. **Constitute a National Council for AI in Banking** with representation of Banking trade unions, civil society, and consumer advocates; publish a **White Paper** and hold open consultations before codification.
2. **Phase in approach with moratorium on high-risk AI use cases** until guardrails (human in the loop, recourse, fairness audits, AI BCP, incident reporting) are operational and independently validated.
3. **No forced redundancies**; funded upskilling; RACI based accountability; HR safeguards against scapegoating for policy compliant errors.
4. **Mandatory AI disclosures, adverse action notices, right to human review**, local-language explanations, and compensation protocols for harm.
5. **Level playing field for PSBs/RRBs**: shared compute/data infrastructure, India-context multilingual models, accessible sandboxing, and budgetary support to prevent market-share displacement.
6. **Vendor accountability**: AI specific outsourcing clauses (bias, data rights, sub-vendor transparency, liability), with **regulatory attestation** for critical providers.

AIBOC reiterates that responsible AI can strengthen public trust **only if** it is built **with** the people who deliver and depend on banking services. **"Dialogue first, deployment next"** that is the path to innovation with accountability.

On behalf of AIBOC, we earnestly urge your esteemed office to take appropriate measures in the larger interest of our nation and its citizens. ■



## **EMPOWERING DEFENCE REPRESENTATIVES THROUGH KNOWLEDGE & TRAINING**

***Text of AIBOC Circular No. 2025/36, dated 30.08.2025***

The All-India State Bank Officers Federation (AISBOF), has over the last six decades been playing a pivotal role in structuring the Disciplinary matters in the Banking industry through the IBA. The National Academy of Trade Union Research and Education (NATURE), set up as a wing of AISBOF, since its inception in 1991, has conducted more than 180 programmes in Disciplinary matters for the affiliates of AIBOC across the length and breadth of the country and has been extending an yeomen support for the cause. Trained defence representatives, not only induce a sense of confidence in the psyche of the memberships but also bolsters the image of the organization by equipping themselves with knowledge, so often we call it, the power.

It is alarming to note that off-late, many Disciplinary Authorities across the banks has been inconsistent, and awarding biased, preconceived and disproportionate punishments causing dent in the morale quotient of the officers. It is also a matter of concern to note that at times our Defence Representatives are falling short in providing appropriate argument and failing to counter the onslaughts unleashed for want of adequate knowledge and are falling flat in terms of arguments. It is needless to mention that not only the Defence Representatives, but it is imperative for all the office bearers to be equipped with knowledge and keep themselves updated on

Disciplinary matters. Many of our affiliates may not be in a position to conduct training program for Defence representatives independently, due to lack of numbers, cost involvement or for want of adequate infrastructure.

In view of the above, it has been decided that the AISBOF, through **NATURE** would be conducting training programmes for Defence Representatives on a regular basis at its training center at Bangalore. Such programs will be conducted in batches and shall be open for participants across the bank nominated by their respective affiliates. Each affiliate may depute five of its office bearers for each of the programs. A cross section of candidates from different banks/affiliates will thus get the opportunity to freely exchange ideas and promote healthy discussions on the various issues connecting to Disciplinary Proceedings.

The estimated cost worked out per candidate would be approximately Rs.8000/-They would be provided with accommodation (twin sharing basis) in a hotel, food (breakfast, lunch, tea/coffee, snacks) along with training materials, books and other infrastructure. The travel cost has to be borne by the respective affiliates. The exact date of each programme will be intimated in due course.

Let us join hands to strengthen the roots of the organisation through continuous updation of knowledge and ongoing pursuit for excellence. ■

## **UFBU WRITES TO HON'BLE FINANCE MINISTER FOR EXEMPTION OF GST ON THE PREMIUM OF GROUP MEDICAL INSURANCE PAID BY RETIRED BANK EMPLOYEES AND OFFICERS**

***Text of AIBOC Circular No. 2025/37, dated 05.09.2025, reproduced the text of UFBU letter dated 05.09.2025 addressed to the Smt. Nirmala Sitaraman, Hon'ble Finance Minister of India, Chairman, GST Council Govt. of India, New Delhi***

***Exemption from levy of GST on the premium paid by the senior citizens/ retired bank employees and officers who are covered by the Medical Insurance Scheme – representation – regarding***

You are aware that from 2015, Banks have introduced Group Medical Insurance Scheme for the in-service employees and officers. The premium for this Group Insurance Policy is borne by the Bank including the GST on the same.

However, in the case of retired employees and officers of the Banks, the Group Medical Insurance Policy has been extended to them but the premium for the medical insurance cover is being paid by the

individual senior citizens/retired employees and officers. The premium is not paid by the Banks but it is directly remitted to the Bank by individual retirees. The GST on the premium is also being borne by the individual retirees.

We are thankful that the GST Council meeting held recently has, among other things, exempted GST on premium from all individual health insurance along with reinsurance thereof from the present 18% GST. This is a good relief to the people at large who cover themselves against medical exigencies.

However, in the case of Banks, the Policy is a Group Policy even though the premium and GST are paid to the Banks individually by the retirees/senior citizens. In fact in these of State Bank of India, under their Scheme, the retirees are remitting the premium directly to the Insurance Company (SBI General).

Madam, you will kindly appreciate that the premium on the minimum basic medical insurance cover for the banks' retired employees and officers is itself a

sizeable financial burden for them and the 18% GST on the same is felt as a considerable additional burden on them at their old age.

We are happy that the Government and GST Council have rightly addressed the issue of GST on the individual health insurance and life insurance and exempting GST on the same is a most welcome measure of relief.

But since the health insurance for the senior citizens in the Banks is under a Group Policy, there is an apprehension that the benefit of exemption of GST may not be applicable to these senior citizens.

However, since the premium is paid individually by these senior citizens/bank retirees, we shall thank you to consider issuing a clarification that if the premium on the Group Medical Insurance Policy for the senior citizens is not paid by the employer/management and if the premium is paid by the individuals, in such cases, the GST shall be exempted on the premium paid by these senior citizens. ■

## **SBI RAISES \$500 MN AT RECORD-TIGHT SPREADS AFTER S&P'S INDIA RATING UPGRADE**

*The final pricing guidance for SBI's five-year dollar bond was set at 75 basis points above the five-year US Treasury yield, translating into a coupon rate of 4.50 per cent*

***SBI Chairman C S Setty said the successful issuance is a testament to the strong appetite for SBI bonds***

The country's largest lender, State Bank of India (SBI), has raised \$500 million through dollar bonds from international investors at the tightest-ever spreads over US Treasuries. This comes after India's sovereign rating was upgraded a few weeks ago by international rating agency Standard & Poor's to 'BBB' from 'BBB-'.

The final pricing guidance for SBI's five-year dollar bond was set at 75 basis points (bps) above the five-year US Treasury yield, translating into a coupon rate of 4.5 per cent. This is tighter than the T+82 bps at which the state-owned lender raised \$500 million in November 2024.

The initial pricing guidance was T+105 bps over the US Treasury yield, but SBI managed to

compress the spreads by 30 bps to bring the final pricing to T+75 bps, said sources aware of the development.

"The issue was oversubscribed by global investors. They could have raised more as well but decided to retain \$500 million," the sources added.

The order book for the issuance exceeded \$1.1 billion across 85 accounts. The notes are expected to carry final ratings of 'BBB' and 'BBB-' from S&P and Fitch, respectively.

"This was the tightest-ever five-year dollar bond pricing from India. A few years back, HCLTech had raised funds through dollar bonds at T+75 pricing," one source said, adding that SBI moved swiftly after the recent rating upgrade by S&P, which led to a compression in SBI's dollar bond secondaries.



"The secondaries tightened by about 9 bps for SBI after the rating upgrade," the source said.

The arrangers of the issue were HSBC, Citi, JPMorgan, MUFG, Standard Chartered, and SMBC Nikko, the sources added.

Challa Sreenivasulu Setty, chairman of SBI, said: "The successful issuance of \$500 million is a testament to the strong appetite for SBI bonds and to the diversified investor base the bank has in offshore capital markets, allowing it to efficiently raise funds from leading global fixed-income investors. The issue has priced at the best-ever spreads for an Indian issuer and reflects the confidence of global investors in India's growth story in general and the credit quality of the bank in particular. The tight pricing has demonstrated a reduction in borrowing costs for Indian issuers

following the improvement in the credit profile and the sovereign rating upgrade."

Siddharth Sharma, managing director and head of institutional client group, HSBC India, said: "The success of the transaction highlights India's growth story, its robust financial and banking sector, and the strong fundamentals of SBI. The deal witnessed strong participation from investors across Asia, West Asia, and Europe, which allowed us to tighten by 30 bps to achieve the tightest-ever spread for a five-year dollar bond issuance from India."

Earlier, in January 2024, SBI had raised \$600 million from global investors by selling five-year paper at T+117 bps over US Treasuries.■

*Source: Business Standard, Dt. 08/09/2025*

## **BANKS BETTING ON FESTIVE SEASON, GST CUT TO BOOST CREDIT GROWTH IN H2FY26**

***Banks are launching attractive loan offers, with credit growth expected to rise during the festive season and after GST cuts. Retail lending is set for significant growth in H2 FY25***

After a subdued first quarter of 2025-26 (Q1FY26), banks are now betting big on the festive season, rolling out attractive loan offers to boost credit growth in the second half of the current financial year (H2FY26) — a trend likely to be further accentuated by the second-order effects of the good services tax (GST) cuts.

In Q1, bank credit growth was muted as both retail and corporate loan segments slowed. However, banks remain hopeful that the festive season, coupled with lower inflation, softer interest rates, higher disposable income from tax reliefs in the Union Budget, and GST cuts will boost demand and lift retail credit.

According to a Motilal Oswal report, the banking sector will benefit from (the GST cut) second-order flow through as consumption and economic activities should pick up. Household confidence and demand for debt should also move up and credit growth should move into double digits in H2FY26. There could be direct benefits for consumer-heavy lenders and credit card players, the report said.

Anil Gupta, co-group head, financial sector, Icra, said credit growth has been weak so far in FY26, creating space for downward revision in credit growth estimates. However, now factoring in likely benefits from GST reforms, credit growth is expected to be within the estimate of 10.4-11.3 per cent year-on-year (Y-o-Y) in FY26 (₹19-20.5 trillion). "Retail loan pickup is expected to improve in the festive season, spanning September 2025-March 2026, in response to the GST bonanza", Gupta said.

Latest data suggested bank credit was growing at 10.2 per cent Y-o-Y while deposit was growing at 10.1 per cent Y-o-Y in the fortnight ended August 8. In the same period last year, credit was growing at 13.6 per cent Y-o-Y and deposit at 10.87 per cent Y-o-Y.

Banks are also rolling out festive season offers to entice customers, especially retail customers, to borrow more. Last year, banks rolled out offers on deposits as deposit growth was lagging credit growth.

State-owned Bank of Baroda (BoB) has cut

interest rate on car loans by 25 basis points (bps), reducing it to 8.15 per cent from 8.40 per cent, effective immediately. Additionally, the bank has also reduced interest rate on its loan against property offering — the Baroda Mortgage Loan — by 60 bps, bringing the same down to 9.15 per cent from 9.75 per cent, also effective immediately.

The new rate, starting at 8.15 per cent per annum, is applicable to loans for the purchase of new cars, and is linked to the borrower's credit profile, the bank said.

Further, the bank is offering a fixed rate of interest on car loans — linked to the six-month marginal cost of funds-based lending rate (MCLR) — starting at 8.65 per cent.

The country's largest private sector lender, HDFC Bank, is also coming up with attractive offers for its customers — Festive Treat — to encourage them to maximise their savings on their shopping.

"We started the season with the Onam festival in Kerala last week, with attractive offers for individuals and businesses. Likewise, there are

several special offers available across the country, on a range of products like loans, credit and debit cards, savings accounts, and PayZapp, among others," said Ravi Santhanam, group head and CMO, head-direct to consumer products, HDFC Bank. He added that depending on the eligibility of the customer, they can get attractive offers on loan processing fee and foreclosure charges, and a chance to save up to ₹ 50,000 on HDFC Bank credit cards and EasyEMI cards.

Additionally, Axis Bank — India's third-largest private sector lender — has partnered with leading brands to offer a curated bouquet of deals and discounts on credit and debit cards, along with easy EMIs on big-ticket purchases like electronics and travel.

Arnika Dixit, president & head-cards, payments & wealth management, Axis Bank, said: "Festivals in India bring a surge in spending, with customers seeking value across shopping, travel, and more. These exclusive offers will be available throughout the festive season, making every celebration more rewarding and memorable." ■

*Source: Business Standard, Dated 08/09/2025*

**[2021 (170) FLR 685]  
(SUPREME COURT)**

**ROHINTON FALI NARIMAN, K.M. JOSEPH AND B.R. GAVAI, JJ.**

**Civil Appeal No. 2328 of 2021**

**July 6, 2021**

**Between**

**BANK EMPLOYEES' UNION**

**and**

**RAJARSHI SHAHU GOVERNMENT SERVANTS CO-OPERATIVE BANK LTD.,  
KOLHAPUR**

***Maharashtra Industrial Relations Act, 1946—Section 38 (2)—Modification in Standing Order—Standing Order was related to age of retirement i.e. 55 years—Application moved by Union—Labour Court rejected the application on the ground that only an individual employee could move such application under section 38(2) of Act and not the Trade Union—Writ petition filed against was dismissed—Hence, the present appeal—Held, original Standing Order which mandated 55 years as the age of retirement was changed by consent of both employer and employees, to 58 years on two occasions— However, the Labour Court rejected the application on the ground of locus standi without joining the employer which was unsustainable—Bank should not be allowed at the stage of implementation of two settlements (culminating in an award) solemnly entered into between itself and its employees, to now turn around and question the locus standi of the appellant-Union —Both the orders impugned set aside—All consequential benefit to the respondent-employees, be given within a period of six months from today. [ Para 7]***

The original Standing Order which mandated 55 years as the age of retirement, was changed by consent of both employer and employees, to 58 years, not just once, but twice, by means of Settlements of 2004 and 2010, solemnly entered into under section 18(1) of the Industrial Disputes Act.

The appellant moved an application before the Commissioner of Labour. The said application could and should have been joined in by the employer, and in this backdrop, it would be clear that any technical objection as to a registered union having no locus to file an application under section 38(2) of the said Act, cannot be countenanced.

The bank should not be allowed at the stage of implementation of two settlements (culminating in an award) solemnly entered into between itself and its employees, to now turn around and question the locus standi of the appellant.

**Counsel for the Petitioner :** Colin Gonsalves, Ms. Jane Cox, Ms. Aparna Bhat and Ms. Kasrishma Maria.

**Counsel for the Respondents :** Vinay Navare, Ms. Gwen Karthika and Ms. Abha R. Sharma.

### JUDGMENT

**R.F. NARIMAN, J.**— Leave granted.

2. The short question that arises in this appeal is as to whether the appellant-Registered Trade Union - had locus to prefer an application to modify a standing order that applies to the employees of the respondent under section 38(2) of The Maharashtra Industrial Relations Act, 1946. The brief facts necessary in order to dispose of this appeal are as follows :

The original Standing Order with which we are concerned, and which stated the age of retirement of the employees of the bank, reads as follows :

“22(7) Every employee shall retire from service on attaining the age of 55 years, Extension not exceeding one year at a time or three years in all may be given at the discretion of the president.”

3. By two Agreements dated 11.1.2004 and 21.2.2010 which were settlements under section 18(1) of the Industrial Disputes Act entered into between the respondent and its employees, it was agreed vide Clause 16 of the 2004 settlement and Clause 15 of the 2010 settlement that the retirement age would now be 58 years. A reference was made under section 73-A of the Bombay Industrial Relations Act (as it was then styled) to the Industrial Court, which then made an award in terms of the two settlements entered into. This award was dated 10.3.2010. However, when it was pointed out that formalities under the Maharashtra Industrial Relations Act in modifying the standing order 22(7) needed to be gone through in order to implement the two settlements which culminated in an award, the appellant-Registered Union-filed an application on behalf of the employees dated 26.4.2011 under section 38(2) of the said Act. Armed with the consent letter from various other unions dated 4.9.2012, the application was heard by the Additional Labour Commissioner. The Additional Labour Commissioner, vide his order dated 25.10.2012, recorded as follows :

“As the employees of the said Bank are also employed in other different local areas of viz. Tasgaon, Kavathe Mahankal, Khanapur, Atpadi, Jath, Shirala, Walwa, Miraj, Palus, Kadegaon talukas and they are represented by Kolhapur District Bank Employees Union, Kolhapur which is the representative and approved union for Banking Industry for the abovesaid local areas, the said union's views were obtained in accordance with the provisions of sec. 39 (1) of the Bombay Relations Act, 1946. The said union by their letter dated 4.9.2012 conveyed that they have no objection in the matter of settlement of alteration to the said Standing Order.

In accordance with the provisions of section 39 (1) of the Act, the management of the said Bank was requested to file their say in respect of the proposed alteration. The Bank by their communication dt. 19.3.2012 communicated their various objections objecting the union's proposed alteration, but the management of the Bank could not refute the fact that they have made two settlements dated 11.1.2004 and 21.2.2010 wherein the management Bank has agreed to alter the retirement age of their employees from 55 to 58.



As both the parties i.e. the employees through their representative unions, and also the management of the said Bank have already mutually made the agreements to effect the change in retirement age, I find no difficulty to make the alteration to the Standing Order clause No. 22(7) which will read as under:

Standing Order No. 22 (7)—Every employee shall retire from service on attaining the age of 58 years. Extension not exceeding one year at a time or three years in all may be given at the discretion of the President."

4. However, an appeal was filed by the Bank in November 2012 against the said order, in which essentially one point was taken up, which was that under section 38(2) of the Maharashtra Industrial Relations Act, only an employee, as defined under the said Act, could apply to the Commissioner of Labour for an alteration of a Standing Order and the Registered Union, being separately defined, would therefore have no locus to do the same. This appeal was allowed by the Industrial Court, on a conspectus of the provisions of the said Act, that the appellant Union would have no locus to approach the Commissioner of Labour under section 38(2) of the Maharashtra Industrial Relations Act, as only an employee defined under the said Act would be allowed to do so. In addition, the Industrial Court, being troubled about the fact that, by its order, the bank would be allowed to resile from the two settlements entered into, the court's conscience spoke out thus :

"10) No doubt, the Appellant Bank had executed an Agreement with the Opponent Union and in the said Agreement, it was decided to change the age of retirement from 55 years to 58 years. But, the Appellant Bank has made change in its Standing Orders by moving an application under section 38(2) of The Bombay Industrial Relations Act, 1946. This act of the Appellant Bank shows the attitude of the Bank towards its employees. On the contrary, it was for the Appellant Bank to become a model employer by moving an application under section 38(2) of the said Act for change in the age of retirement of its employees from 55 to 58 years and the same is not done. Undisputedly, the Agreement

states about the change in the age of retirement that does not mean that the law has given right to the Union to file an application under section 38(2) of The Bombay Industrial Relations Act, 1946."

From this order, a writ petition was preferred by the appellant. By the impugned judgment dated 18.12.2014, after an exhaustive survey of the said Act, it was found that the Industrial Court's order could not be interfered with, and, as a result, the writ petition was dismissed.

5. Mr. Colin Gonsalves, learned Senior Counsel appearing on behalf of the appellant, has taken us through the provisions of the Act in copious detail and has argued that on merits, his client would certainly have locus, particularly given section 27-A of the said Act, which has not been viewed by the impugned Judgment in its correct perspective. In any event, he added that it would be preposterous to allow a party to a settlement, who, in fact, ratifies the aforesaid settlement, to resile therefrom at a stage of Ministerial implementation. He, therefore, submitted that the appeal made against the learned Additional Labour Commissioner's order to the Industrial Tribunal ought to have been dismissed on the ground that since either the employer or the employee, or both, could have gone to the Commissioner of Labour to implement the two settlements entered into, it would not lie in the mouth of the employer to now turn around and take up a technical plea of locus when the employer itself could and should have approached the Labour Commissioner under section 38 to implement the two settlements solemnly arrived at between the parties.

6. Sh. Vinay Navare, learned Senior Counsel appearing on behalf of the Bank, supported the judgment of the Bombay High Court and took us in copious detail through the provisions of the Act and the standing orders. According to him, once it is seen that the definition of 'Employee' and "representative Union" is different, and once it is also seen that under various other provisions of the Act, more particularly section 42, an 'employee' and a 'representative union' have both been referred to separately, as opposed to section 38 which speaks only of an 'employee', obviously a representative union would have no locus to move an application

under section 38, and the Judgment under appeal ought not to be disturbed at all. He, however, makes a submission that in case this Court were not to accept his submission, the matter could be sent back to the Commissioner of Labour for a reconsideration on merits after adding one or more employees, so as to take care of the technical objection taken.

7. After hearing both the learned Senior Counsel appearing for the parties at length, we do not propose to disturb the impugned Judgment on merits. Having regard to the facts of this case, it is clear that the original Standing Order which mandated 55 years as the age of retirement, was changed by consent of both employer and employees, to 58 years, not just once, but twice, by means of Settlements of 2004 and 2010, solemnly entered into under section 18(1) of the Industrial Disputes Act. Not only this, these settlements were also sanctified by an award of the Industrial Court dated 10 th March, 2010. Ultimately, as correctly argued by Mr. Gonsalves, the Ministerial duty of implementing the settlement was on both the employer and the employees. It so happened that the appellant moved an application before the Commissioner of Labour. The said application could and should have been joined in by the employer, and in this backdrop, it would be clear that any

technical objection as to a registered union having no locus to file an application under section 38(2) of the said Act, cannot be countenanced. We, therefore, set aside the order that has been passed by the Industrial Court, which was only based on the locus standi of the appellant, and hold that the Industrial Court ought to have given some teeth to Paragraph 10 of its own Judgment and held that the very appeal which was filed before it be dismissed for the very good reason that the bank should not be allowed at the stage of implementation of two settlements (culminating in an award) solemnly entered into between itself and its employees, to now turn around and question the locus standi of the appellant. On this narrow ground, therefore, this appeal is allowed and the Judgment of the Industrial Court dated 14 th March, 2013 and, consequently, the judgment of the High Court is set aside. We reiterate that we are not, in any manner, disturbing the High Court Judgment on merits, leaving the question of law decided by it open. All consequential benefits, as a result of this judgment, to the employees of the respondent, be given within a period of six months from today.

Pending interlocutory application(s), if any, is/are disposed of. ■

**Appeal Allowed.**

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